Personnel & Salary – County Clerk & Recorder
Committee Meeting
Tentative Agenda
Wednesday, August 12, 2009 10:00 a.m.

1. Call to Order at10:01 by chairman Kenney. Members present Kenney, Heuer, Bowers, Boes, Colbert, Saunders. Members absent: Gouker. Also present: Ed Rice, Bob DeArvil, Becky Huntley, John Coffman, Meggon McKinley, Steve Rypkema, Don Conn. Chairman Kenney started the meeting by reminding everyone to please hold side bar comments to a minimum and to give full attention to the person who has the floor.

2. Approval of Minutes: Motion to approve the July 15, 2009 meeting minutes by Bowers. 2nd by Colbert. Motion carried.

3. Approval of Bills – Motion to approve bills in the amount of $1,672.63 by Colbert. 2nd by Bowers. Motion carried.

4. 2009 & 2010 Budget Update -
   a. McKinley provided a 2009 and 2010 budget presentation noting progress to date against the reductions sought from the Finance Committee last month. She asked the committee to think specifically about the policies they would or would not recommend for consideration to solve the budget problem because we have still not reached our reduction targets. Highlights of the report, which will be covered at the Finance Committee meeting and the full County Board meeting August 18 included the following:
      - 2009 Expense Budget = $13,443,119
      - 2009 3% reduction target = ($403,294)
      - 2010 7% reduction target – ($941,018)
      - Total General fund Reduction Goals for 2009 & 2010 = ($1,344,312)
      - Current 2009 reduction progress to date = ($309,737), which means we're still $93,557 short of the goal
      - 2009 Expected overage in line items by Circuit Clerk union contract salaries, detention fees previously discussed & approved, and insurance = $70,000.
      - 2009 net reduction goal short fall = $163,557
      - Current 2010 reduction targets is ($941,018)
      - Department Heads have identified ($300,000) savings to date, which is still $641,018 short of the 2010 goal.
      - McKinley then reported on current revenue scenarios are that we could be down $700,000 in 2009 and $1,100,000 more in 2010. Worst case scenarios that Coffman has been working on are that we could be down $1,000,000 in 2009 and another $1,700,000 more for 2010. 2011 is expected to remain a difficult year, and we could see revenues at the 2010 level, or decline even more.

- McKinley's presentation then posed the following budget questions:
    i. Is this a short term financial crisis?
    ii. Is this the new norm?
    iii. Which revenues may likely never return?
    iv. What other sources of revenue must we pursue?
    v. What level of service are we willing to forgo to balance the budget?
    vi. Could wage freezes help us avoid layoffs? How would future budge spikes impact us?
    vii. How would inequitable wage solutions impact our employees?
    viii. Could furlough days help us avoid layoffs?
    ix. What would early retirement save?
    x. If we deplete funds in a short term crunch, what are the cash flow implications?
    xi. How can the wage study help us avoid spiraling wages costs in the future?
- She concluded the presentation stating next steps are for the Finance Committee to set specific revenue & expense targets by analyzing the implications of all possible scenarios. She recommends a special Finance Committee to continue working through the scenarios for progress after today.

b. Committee Discussion – Chairman Kenney noted that the County is the business of selling services, and this is a very difficult decision time with no easy answers. While the department heads have been doing what they can to help the situation, it's time we look at additional cost containment options. Kenney distributed a list of cost containment options that must be under consideration, including:
    - Hiring freezes across the board in all departments
    - Early retirement options for employees
    - Voluntary lay off option for interested employees
    - Opening of labor contracts for concessions
    - Furloughs for employees in all departments
    - Layoffs across the board in all departments
    - Overtime elimination (except in emergency basis)
    - Salary and wage freeze across the board in all departments
    - 3-4 day work week rotation for employees

    Kenney recommended taking these recommendations for consideration to the Finance Committee and/or Executive committee, and welcomed input. Ed Rice noted there should be another option on this list including appointing a committee to raise our levy and ask for the community to weigh in. Pat Saunders says this would not likely be a successful solution. Greg Martin said he doesn't want to see that option taken off the table before it's even discussed because he believes it's critical to consider it to save jobs. John Coffman noted that we can't move through the referendum fast enough to help in 2010 but possibly in 2011. Rice noted we must also remember that some of this revenue may never come back. Larry Boes says next year economic

projections are that there will be more foreclosures and that 50% of all home owners will owe more on their home than it is worth. He wants to be careful we don't drive people out of our county with increasing the levies. Ed Rice noted we must be sure to consider all possibilities and if we put it on the ballot, then people can have a say in which services they want to continue and the issue can be put to bed with their vote. Martin wants to know what the tax payers are willing to give up if we have to start laying people off. McKinley reminded the group that the intent of the budget power point is to allow a full discussion of all pros and cons to all the possible solutions for the most informed decisions possible. Nothing is set in stone yet, but all options should be on the table. Saunders acknowledged that Probation and the Health Department have had layoffs and this is difficult. Kenney says let's get the options on the table, and also noted he doesn't want to see anyone lose their job, but the economics are driving our options now. Bowes commented that he offered some of these ideas before and no one was interested. Becky Huntley noted she is looking into the potential savings of an IMRF early retirement option. Dec 2009 our last pay off will be completed. Boes said Winnebego County wanted 87 to take the retirement option and only 30 did. Kenney asked Huntley and McKinley to run the analysis for the board.

c. Potential estimates – McKinley noted that if all wages were frozen, it would account for about $203,000 in the Sheriff's budgets, $25,000 in the Circuit Clerk's budget, $50,000 across all non-union employees and department heads, and $21,000 in the Health Department, for a total of an additional $300,000. Huntley asked what the unemployment costs would be for layoffs, and Coffman noted that analysis would need to be run too since we pay the claims and not a percentage. Heuer asked when unemployment would be paid, and Coffman noted it would be the quarter unemployment kicks in. Colbert noted that in the Sheriff's meeting we talked about holidays, which cost his budget $12k per day. But the Supreme Court sets the calendar, the Chief Judge of the circuit then sets it for each circuit. This is a difficult process to influence, but we should try. Greg Martin says Mallon set it to 12 this year and that it saves the most money in the departments that are open 24 hours a day. Judge Mallon did this based on conversations with Jim Mielke last year. McKinley noted we have to look at our union contracts too, because some have limits of holidays. Heuer wants to know if there have been concession movement for wage freezes. Martin said he didn't want to wait to the last minute, so he already let the unions know that the county is asking for 0- based growth and asked for concessions. They will be voting on this. Whoever on the management side manages the union contracts, must initiate the conversation. Rice said we're asking Nick Sakellariou for proper procedures on next steps on the Sheriff contract discussions. On the Health Department, the Board of Health and Ed Rice negotiate and would need to initiate discussions soon. Saunders asked if people can use their vacation days for the furlough days and discussion followed noting we'll have to clarify that. DeArvil noted that Martin is talking about closing one of the houses on Focus House property and wants to know if we can close another. Martin says no

because we can't put sex offenders in the same buildings as the other kids. Colbert and Heuer and Coffman noted on a furlough, some still get benefits and some get furlough up to 5 days. Some people will do this and even take a pay cut when they come back. Boes asked if salary and wage freezes are included for all non-union. Huntley noted elected officials can't open their contracts for 4 years by statute, so it would be only appointed dept heads. This reduces some of the savings ideas on the table. Huntley agrees with Saunders that there are some that give up projects and scrape bottom and some don't. It's important to know that all are giving up things. Boes says cuts should be equal across the board, but not penalize across the board. Saunders says we can't always make it equal, for example how can a $150k budget cut 10%? DeArvil says he believes it is important to cut all equally. McKinley noted that the Power Power budget presentation was designed to see how far we could get with across the board reductions, but evaluate final options on a needs-basis because each department has different revenue streams, grants, state statutes, and operational needs that should be taken into consideration before making final decisions.

d. Boes then motioned take Kenney's list of potential options to balance the budget to the finance committee with the additional suggestion of a tax levy referendum. 2nd by Bowers. Motion carried.

5. Public comment – Greg Martin says he has an employee, single mother of 2, who may possibility have ovarian cancer. The Health Dept allows their employees donate their sick time to another person to help them continue drawing a salary and wants to know if this is possible to do for the Probation employee. Kenney asks if there is precedent for this in the county, and Coffman noted that this has taken place only in the Health Department through their union terms. Martin says the Health Dept model is that anyone contributing has to keep at least 70 hours on the books for their own care, and the one receiving it has to have exhausted their personal time. Martin noted this woman has exhausted her sick time and is into her vacation time. Ed Rice noted he and John will look into this. Some members of the committee agreed this could be a good idea. McKinley then also shared a comment that she would like to hear discussions about inequitable wage solutions, for example, lawyers in our States Attorney office already take about $30,000 or more less than any private practice lawyer, and so it sets us up for a rotating employment situation there. $0 increases to the attorneys would have a very negative impact on the States Attorney's office, and Ben Roe has stated his appreciation for the Board's continued support in allowing attorney salaries get to a level that has helped bring good people and more stability to the office. McKinley also noted her concern for holding back wages to the non-union employees who have typically gotten less than the union increases throughout the years, when the savings gained from holding their wages to $0 is so small compared to the union employees.

6. New Business -
   a. Union Contract Negotiations – see above

b. Risk Control Department Recommendations – McKinley noted that she will work with Ruth Shipman to see how we can incorporate the recommendations of the recent Risk audit for more widespread back ground checks and proof of drivers license for all new employees.

7. Old Business
   a. Personnel Manual & Review Process – McKinley updated that she has pulled in some of the Solid Waste Department's documents, is working with the Sheriff on new IT use policies, and will need to incorporate new language regarding wage freezes, salary caps, and other things resulting from the current budget crises. Kenney recommended we table the full review and discussion of this manual until after more of the budget work has been completed since it is the most pressing of issues.
   b. Wage Comparison Data – Heuer noted this EA study may give us the proverbial glass ceiling such that employees would be incented to take early retirement or voluntary layoffs if they reach a salary cap for their position. Heuer also believes we should cap salaries within the levels, not just the top level, yet she noted this will be a significant task for the department heads to manage. Based on the number of employees and who is at caps within the levels, the department would only get so much money, and they'd have to move that employee to another level to get a raise. This model is designed to improve productivity and accountability. Steve Rypkema asked if in this model the market data would be provided annually. Heuer noted that yes, annual market data is the key to successful implementation and ongoing management. EA would provide this service to us. Ed Rice asked who this impacts and Heuer responded that it is currently just the non-union employees, although we want to do this across the board. Rice noted this will take lengthy union negotiations. McKinley noted support of this approach as a possible solution to help the spiraling wage costs from driving expenses to high in the future. Heuer noted we are looking at a $57,417 cap on non-union, non-exempt employees, and that we need to confirm with Nick Sakallariou how to analyze union impact with this approach.
   c. Other comments – Kenney asked for further comments before adjournment, and Boes noted that in previous years, he recalls an employee needing dental but was confused because she didn't know she could have dental coverage without taking the health coverage. He wanted to know if this issue was clarified, and if we have a better communication approach now to help employees understand these issues when they are hired. Rice and Coffman noted the specific issue Boes identified was clarified, and Rice noted how important it is for the department heads to be sure to understand the benefit package and sit with their people when they are hired to answer questions. He noted that if department heads have questions, they should ask Coffman or Rice of McKinley to help answer their questions. McKinley noted she is working with John and Query insurance to create a more helpful Q&A type document for inclusion in the new employee packet, as well as the web site.

Rypkema noted we want to be sure to update the new employee check list with a sentence clarifying that if you opt out of health you can still get dental. Kenney said we'll get back on the Personnel Policy soon, but these budget issues are most pressing.

8. Adjournment – 11:45 by Kenney.

John "Skip" Kenney – Chairman

Sheriff's Department Training Room
103 Jefferson St in Oregon, Illinois
Public Entrance – gated entrance off Jefferson Street – use East door of building